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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, CHAIRMAN
GARY PIERCE
BRENDA BURNS
SUSAN BITTER-SMITH
BOB BURNS

Arizona Corporation Commission
DOCKETED

DEC 12 2013



**IN THE MATTER OF THE
APPLICATION OF THE ESTATE OF
WILLIAM F. RANDALL D/B/A VALLE
VERDE WATER COMPANY FOR AN
INCREASE IN ITS WATER RATES;**

Docket No. W-01431A-09-0360
W-01431A-09-0361

**COMPLIANCE FILING
REGARDING DECISION 71899**

and

**IN THE MATTER OF THE
APPLICATION OF THE ESTATE OF
WILLIAM F. RANDALL D/B/A VALLE
VERDE WATER COMPANY FOR
AUTHORITY TO INCUR LONG-TERM
DEBT.**

Pursuant to Arizona Corporation Commission Decision No. 71899 ("Decision"),
Valle Verde Water Company ("Company") hereby files the following documents in
furtherance of compliance with the Decision:

- Water Loss Report (see Attachment 1).

1 Two compliance items that still remain relate to the temporary surcharge. The surcharge
2 is still in place and is being used to repay the debt to the interim manager as approved in
3 Decision 73353.
4

5 RESPECTFULLY SUBMITTED this 12th day of December, 2013.

6 **MOYES SELLERS & HENDRICKS LTD.**
7

8 
9 Steve Wene

10
11 Original and 13 copies of the foregoing
12 filed this 12th day of December, 2013, with:

13 Docket Control
14 Arizona Corporation Commission
15 1200 West Washington
16 Phoenix, Arizona 85007

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ATTACHMENT 1



SOUTHWESTERN UTILITY MANAGEMENT INC
WATER UTILITY MANAGEMENT
TELEPHONE: (520) 623-5172
FAX: (520) 792-0377
WEB - www.southwesternutility.com

MAILING ADDRESS:
P.O. BOX 85160
TUCSON, AZ 85754

LOCATION:
2015 N FORBES BLVD, SUITE 107
TUCSON, AZ 85745

Arizona Corporation Commission
Utilities Division
1200 W Washington St.
Phoenix, AZ 85007

December 12, 2013

To whom it may concern;

The following is a report containing a plan to help reduce water loss to 10% or under for Valle Verde Water Company. We understand this system is out of compliance for a Water loss <10%. In the past 4 years Southwestern Utility Management, Inc. ("SUM") has helped Valle Verde Water obtain over \$3,000,000.00 in upgrades to the water system from grants and a Water Infrastructure Finance Authority ("WIFA") loan. These projects included; new water mains, service lines, a new 190,000 storage tank and a treatment system for Volatile Organic Chemicals.

Valle Verde Water has several Best Management Practices in place to help customers in regard to conserving water. Unfortunately this system has had many water leaks that were repaired but still had a loss of many thousands of gallons of water. Valle Verde Water is very proactive when it comes to water line repairs but cannot control the volume of leaks that may occur. Most of this systems infrastructure is over 40 years of age and needs more upgrades in the future. SUM will work with the Valle Verde personnel to work on a leak detection program to locate troubled areas within the system that may not have yet surfaced and a meter replacement program as well as a solution to a stagnate water concern at one of the facilities. Below are a cost analysis and a plan to help overcome the water loss issues for this water utility.

Please do not hesitate to contact us if you need additional information or have questions.

Sincerely,

Keith Dojaquez, CCI
Vice President Operations
Southwestern Utility Management, Inc.

Cc: Bonnie O'Connor, President

1. METER REPLACEMENT PROGRAM

This task includes replacing aged meters in the system. Due to the age of these meters they do not read accurately. If these meters are replaced the percentage of water loss will be more accurate. The cost of the meters are \$70.00 each (Prices from Dana Kepner). In order to help with the water loss issues Valle Verde Water would have to change at least 20 meters a month ($\$70.00 \times 20 \text{ meters} = \$1,400.00$) to have any progress on the reduction of water loss. This utility doesn't have the funding to accomplish this task.

2. LEAK DETECTION PROGRAM

This task includes a water leak detection program. The costs are from Utility Services Associates.

The cost is approximately \$1,250.00 a day plus a mobilization charge of \$500.00. To analyze the whole system and all other contact points would be about 5-7 days but in a 2.5 mile area or approximately 200 services at a time would take 2 days per assessment.

3. STATIC MIXER FOR WELL SITE 10 STORAGE TANK

This Task would include to purchase and install a static mixer to circulate the water in a 200,000 gallon storage tank. Due to stagnant water concerns from a low water demand from one customer, this tank is drained every 6 to 8 weeks. Even though this storage tank is chlorinated water stratification still occurs and the water quality can be a concern especially in the summer months. The cost for a GridBee (Solarbee) GS-12 static mixer is approximately \$10,000.00. This utility doesn't have the funding to accomplish this task. We will look into a different approach that is not as expensive to mix the water in the storage tank that this water utility can afford to implement.